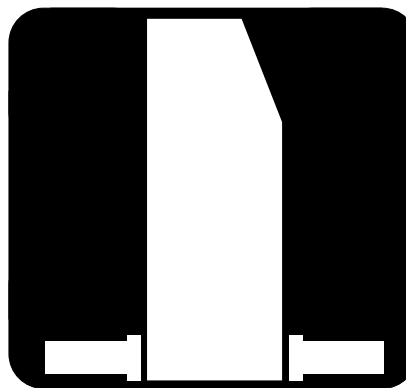


The SRF for Wastewater

The State Water Pollution Control Revolving Fund is a long-term debt financing program offered by the State of South Carolina to provide low-interest loans to communities for wastewater facilities. The SRF is sponsored by EPA under authority of the Federal Clean Water Act. The fund for wastewater projects is referred to as the Clean Water SRF (CWSRF).

From 1989 to 1999, South Carolina received \$207.3 million in federal and state matching funds to capitalize the CWSRF. In 2000, another \$16 million is expected. There are currently fifty loans totalling over \$213 million.

The Department of Health & Environmental Control (DHEC) administers the technical and programmatic portions of the program, while the Budget and Control Board (BCB), Office of Local Government makes the loans and manages the financial aspects of the fund.



ELIGIBLE APPLICANTS

Municipalities, counties and special purpose districts can apply for loans in the CWSRF program.

ELIGIBLE ACTIVITIES

Facilities construction, *including nonpoint source projects.*

GENERAL LOAN TERMS & POLICIES

- Below-market fixed rate financing for up to 20 years (3.50% interest rate for FY 2000).
- Availability of deferral periods on principal and interest.
- Up to 100% financing of all eligible costs including 20-year reserve capacity.
- Opportunity to refinance the costs of preconstruction engineering.

FINANCIAL REQUIREMENTS

Each loan applicant must establish one or more dedicated repayment sources that contain sufficient revenues to operate and maintain the system and cover debt service payments over the life of the loan. User charges, special assessments, general taxes or other sources qualify.

COST SAVINGS

CWSRF interest rates, which are set each year 1.5 to 2 percentage points below market rates, can significantly reduce annual debt service costs.

FEDERAL REQUIREMENTS

Compared to previous years, many of the Clean Water Act requirements have been removed from the program. Remaining are those that apply to all federally-funded projects (e.g., property acquisition must comply with the Uniform Relocation and Real Property Acquisition Policies Act). However, requirements such as Davis-Bacon wage rates and infiltration/inflow studies no longer apply.

LOAN CLOSING FEE

A loan closing fee of 1.5% of total project costs is required to support the cost of administering the CWSRF. This fee is less than the costs involved in issuing revenue bonds.

PRIORITY LIST

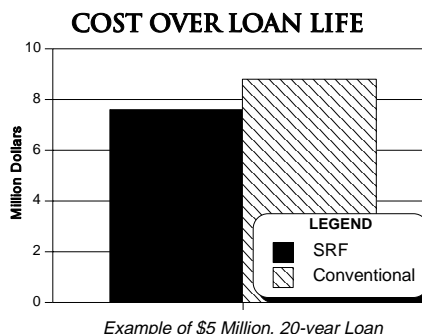
- All projects must be on the DHEC CWSRF Priority List to be eligible for a loan. However, projects may be added to the list at any time, rather than only once a year, by submitting a priority questionnaire to DHEC.
- *Readiness to proceed, however, regardless of position on the Priority List, is the dominant factor in determining priority for loans since a first come, first considered approach is used.*

HOW TO OBTAIN A LOAN

- Consult with DHEC for guidance on preparing a planning report or report update.
- Submit project questionnaire to DHEC, for projects not already on the CWSRF Priority List.
- When PER and plans/specifications are completed and approved by DHEC, submit loan application to the BCB.

APPLICATION TIMETABLE

From October 1 through June 30 of each fiscal year, loan applications for DHEC-approved projects will be accepted by the BCB on a first-come, first-considered basis.



Example of \$5 Million, 20-year Loan

Getting more information:

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